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PSC DIRECTS US WEST TO FILE PROPOSAL FOR
'DEAVERAGING' TELEPHONE NETWORK ELEMENT RATES

The state Public Service Commission has directed US West Communications to file a proposal by January 31 to establish different rates in at least three defined geographic areas within the state for telephone network elements purchased by wholesale customers.

The PSC's action was necessary in order to complete consideration of US West's proposal in time to meet the May 1, 2000 deadline set by the Federal Communications Commission for state regulatory commissions to deaverage network element rates. Network elements are the facilities and equipment used to provide telephone service that local phone companies like US West are required by the federal Telecommunications Act of 1996 to make available to competitors who request them. The network element rate proposal that US West must file with the PSC will reflect the differences in the company's costs to provide network elements in different geographic areas. US West's network elements are currently priced at an average rate without regard to customer location.

Because Montana law prohibits the PSC from departing from average pricing for network elements purchased by wholesale customers except to the extent retail customer telephone prices are also deaveraged, the PSC directed US West to file a proposal that will allow the PSC to comply with the FCC order while remaining consistent with state law.

The PSC has scheduled the hearing in this proceeding (which is Docket D99.12.227) for April 13 in Helena.

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